

NEW SOUTH WALES.

BUSINESS STATISTICS - 15th October, 1941.

Change of the Commonwealth Government had no important economic reactions and involves no slackening of the war effort. Over £54 m. of the £100 m. loan has been subscribed. Business is active. Bank clearings are at a record level, there is some increase in real estate activity and house-building is greater than ever before. The mild stock exchange boom broke on adverse oversea developments but general confidence remains very strong. Recent rain has improved the seasonal outlook, but heavier falls are needed.

C O N T E N T S.PART
I

Season: Rain in North-west. Rainfall Index - Sept., 1941.

Export Prices and External Conditions: Prices steady. Conditions in U.K. Food supplies, manpower, new bond issue, war expenditure. Conditions in U.S.A. - Finance. Oil embargo on Japan. Turko-German trade agreement. Aid to Russia.

Currency Relationships. Sterling-dollar ratio steady. Lend-Lease Act and Empire dollar resources.

Wool: Appraisements and wool received in Sydney. Wool trade in U.K. and U.S.A.

Wheat: Harvest prospects (N.S.W.) Prices ease but still high in Chicago. Local market quiet.

Butter: Production in N.S.W. factories - Aug., 1941. Intra-state Quota - Oct., 1941. Pay for cream by N.Coast factories - Sept., 1941.

Metals: Prices of tin and silver in London steady.

II

Bank Clearings, Sydney: September and Jan.-Sept., 1941.

Stock Exchange, Sydney: September, 1941.

Real Estate, N.S.W.: September and Jan.-Sept., 1941.

Interest Rates - Mortgages: September Qr., 1941.
- Bonds: September - October, 1941.

III

Buildings Commenced: Value and
(Metrop. Water Bd. Area) No. of Houses - Sept. and Jan.-Sept., 1941.

Motor Vehicles, N.S.W.: New Vehicle Sales - September, 1941.
Registered Vehicles at Sept. 30, 1941.

Railways, N.S.W. Passengers, Freight and Finance - Aug. and July-August, 1941.

PART I PRIMARY AND EXPORT INDUSTRIES.

SEASON. Substantial rain fell at many places early this week and restored the crop outlook in the north-west, where wheat was in precarious condition. In most other districts intermittent showers have carried crops forward and benefited sheep and dairy pastures but everywhere much more rain is required to assure the outlook for the summer, after six months in which rainfall has been much below average. Index numbers of rainfall in recent months (with those of a year earlier in parenthesis) are as follow:-

<u>1941(1940)</u>	<u>Apr.</u>	<u>May.</u>	<u>June.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>
Sheep Districts	16(204)	58(33)	95(17)	47(21)	37(36)	56(109)
Wheat "	11(227)	61(36)	87(17)	67(33)	41(36)	47(129)
Dairying "(Coast)	88(88)	63(39)	68(58)	40(18)	38(90)	30(167)

EXPORT PRICES AND
EXTERNAL TRADE
CONDITIONS.

Australian export prices continue at about 20 p.c. above the pre-war level and except that rain has improved production prospects, the outlook in exporting primary industries remains unchanged. Shipping space is a major problem. American patrols have prevented losses in the Western Atlantic and shipbuilding in U.S.A. and Canada is expanding rapidly. But aid to Russia requires much shipping space and the U.S. Congress is being asked to revise the Neutrality Act.

Britain has more of staple foods (wheat, sugar, etc.) than at any earlier stage of the war. Lord Woolton revealed that the U.K. is relying on U.S.A. for about 25 p.c. of her food supplies, particularly protective foods, e.g., milk, cheese, eggs, bacon, etc. From Nov. 7 (till March next) British rations were increased, of fats from 8 oz. to 10 oz. and of sugar from 8 oz. to 12 oz. a person a week. British wholesale prices continue to rise gradually. The Index number (Economist, 1927=100) on Sept. 30 was 107.1 compared with 100.7 on Jan. 1 and 104.6 on June 24, 1941. In reserving manpower in Britain individual skill instead of industrial classification is to be the determinant.

Mr. J.M. Keynes has been elected a director of the Bank of England. Small voluntary war savings in Britain exceed £1,000 m. A new 2½ p.c. bond issued (1949-51) has been made. The former issue brought in £494 m. Deposits in clearing banks (£3,114 m.) are a record and have increased 40 p.c. during the war. Parliament voted another £1000m. for war purposes (making £3,000 m. in all this year.) The British Treasury is paying out approximately £13 m. a day.

The U.S. Congress passed the second Lease-Lend appropriation of \$6,000 m. speedily. To enable R.F.C. to finance expansion of U.S.A. steel capacity by 10 m. tons a year the Corporation has been authorised to borrow another \$1,500 m.

On Oct. 9 it was reported from New York that Britain, U.S.A. and Neth.E. Indies had agreed to stop all oil exports to Japan. Japan has Portuguese consent to establishment of an air service to Timor. A Turko-German trade agreement has been signed but Turkey refused demands for chrome and will continue to supply the output to U.K. and U.S.A.

Australia is supplying material to Russia and is to send railway engines and waggons to Iran.

INTERNATIONAL
CURRENCY
RELATIONSHIPS.

In the open market in New York sterling is quoted at \$4.0375 to £stg. or slightly above the official rate of \$4.03 in London. The stability of sterling-dollar exchange (the free rate has not fallen below \$4 to £stg. since August, 1940) reflects official recognition of the virtual inter-dependence of the British and American financial structures. The United States Lend-Lease Act averts for Britain (as for other benefiting countries) the need to find immediately enormous funds for war supplies.

Ordinarily Australia has a considerable import surplus in trade with U.S.A. but it is probable that import control and the shipment of large quantities of Australian wool to America has enabled Australia to add to the Empire's supply of dollars. Now that Australia can import essential war materials under Lend-Lease provisions still greater dollar credits may be expected to accrue.

/WOOL.....

PART I (Continued)

WOOL. Between July 1 and Oct. 9, 1941 the quantity of wool received in Sydney was 595,138 bales, or 35,478 bales less than in the corresponding period of last season. Wool appraised in Sydney in the same periods was 362,023 and 357,193 bales, respectively. Shearing is now at its peak point in N.S.W. and there is some difficulty in promptly securing trucks to rail the wool to the seaboard. Ample storage space has been provided at appraisal centres.

American wool consumption in 1941 is likely to surpass the previous record (1918) by at least 20 p.c. The Boston wool market is very active and prices have fluctuated narrowly about a higher level. At a recent date only about one-third of the planned strategic reserve of 833,000 bales (250 m.lb.) of Australia wool had arrived in the United States.

In the United Kingdom the civilian wool allocation has been increased. A scheme has been evolved to enable the multiple stores to continue selling men's suits at 65s. and 75s. as part of the Government's plan to keep down the cost of living.

American manufactures are now required to label goods to disclose the proportion of virgin wool contained in clothing and textiles.

WHEAT. Showers in central and southern sections in September and substantial falls in the north-west during the past week have improved the harvest outlook in N.S.W. and production appears likely to be about average. No difficulty in storing the harvest is anticipated.

A sub-committee of Cabinet has been appointed to consider the question of entry into an international wheat agreement. The Minister for Commerce is to call a conference of State Ministers and wheatgrowers' organisations. Meanwhile the delegate to the Washington Wheat Conference has been instructed not to commit Australia on policy and to press for a larger export quota for Australian wheat.

Wheat futures in Chicago have declined about 5 cents a bus. since the beginning of the month but the quotation on Oct. 11, 1941 (117 $\frac{1}{8}$ c. per bus. for Dec. options) was above the average for any month (except Sept., 1941) for several years. In Winnipeg price fluctuations have been small and the quotation on Oct. 11, 1941 (75 $\frac{1}{8}$ c. bus.) was only 4 c. and 2 c. per bus. higher than one and two years before. Prices in London show very little movement.

The local market is quiet and prices are steady. For bulk wheat for local flour the price is 3s.11 $\frac{1}{4}$ d. a bus. ex trucks, Sydney. The wholesale price of flour in Sydney is £12.13s. a ton (including tax). Wheat prices compare as under:-

PRICES OF WHEAT IN NEW SOUTH WALES.

Shippers' offers to 1938-39. Prices for wheat for local flour from Dec., 1939.

	Season ended November.				September.		At Oct. 14, 1941.
	Av. 1931-35.	1937.	1939.	1940.	1940.	1941.	
<u>Bulk Wheat.</u>	Shillings and pence per bushel.						
Ex trucks, Sydney.	2 9 $\frac{1}{2}$	5 3	2 5	3 10 $\frac{1}{2}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$	3 11 $\frac{1}{4}$
Equiv. ex farm at country siding *	2 2 $\frac{1}{2}$	4 8	1 9 $\frac{1}{2}$	2 11	2 11	2 9 $\frac{1}{2}$ Ø	2 9 $\frac{1}{2}$ Ø

* Exclusive of bounty. Ø Net equivalent of advances made to date.

BUTTER. Rain which has already fallen may lead to an appreciable increase in butter production but more rain is needed. Imports of butter from other states are needed to supplement local supplies. In August, 1941 the quantity of butter made in N.S.W. factories was 4.64 m. lb. - less than in the corresponding month of any year since 1929-30. In July and August the quantity was about 8 $\frac{1}{2}$ p.c. less this year than last year and 22 $\frac{1}{2}$ p.c. below the average in July-Aug., 1935.

/PRODUCTION.....

PART I (Continued)

PRODUCTION OF BUTTER IN NEW SOUTH WALES FACTORIES.

		<u>Av.1931-35.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
September.	Mill.lb.	6.15	4.84	4.89	6.36	5.04	4.64
July-Sept.	"	11.91	9.00	9.32	12.94	10.09	9.23

Some indication of dairy prospects in Australia as a whole is afforded by the uniform quota fixed for intra-state sales. In October, 1941 factories may sell within the State 46 p.c. of the butter made - the greatest proportion for October yet recorded - indicating a smaller export surplus than at this time of any other recent year. Quotas for October were:-

	<u>1935.</u>	<u>1936.</u>	<u>1937.</u>	<u>1938.</u>	<u>1939.</u>	<u>1940.</u>	<u>1941.</u>
October Quota.	33%	35%	39%	36%	34%	42%	46%

Certain North Coast factories are paying farmers 12⁷/₈d. a lb. for cream supplied in September, 1941. This is ¹/₈d. less than in August, 1941 and in September, 1940. Payment for cream has varied as under:-

PAY TO SUPPLIERS OF CREAM TO CERTAIN NORTH COAST FACTORIES, N.S.W.

	<u>Apr.</u>	<u>May</u>	<u>June.</u>	<u>July.</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Deferred Pay</u> <u>Jan.-June. ø</u>
Pence per lb. of commercial butter made.							
1934	8 ^x	9 ¹ / ₄ ^x	9 ¹ / ₄ ^x	9 ¹ / ₄ ^x	10 ^x	9 ^x	1 ¹ / ₈
1937	11 ¹ / ₂ ^x	12 ¹ / ₄ ^x	12 ¹ / ₂ ^x	13 ¹ / ₂	13 ¹ / ₂	13	1
1939	12 ¹ / ₄	12	12 ¹ / ₂	12 ¹ / ₂	12	12 ¹ / ₄	1.06
1940	12 ³ / ₄	13	13 ¹ / ₄	13 ¹ / ₄	13	13	1 ³ / ₄
1941	12 ⁷ / ₈	13	13 ¹ / ₄	13 ¹ / ₄	13	12 ⁷ / ₈	1

ø These amounts are additional to those shown for each relevant month.

x Cartage charges (about ³/₈d. a lb. - now paid by factories) met by farmers.

An increase in the local prices of butter and cheese is being sought by the Commonwealth Dairy Produce Equalisation Committee. For butter the wholesale price in Sydney has been 158s.8d. per cwt. since June 8, 1938.

METALS. British Ministry of Supply fixed maximum prices (duty paid, delivered to buyer) in London for electrolytic copper (£62) lead (£25) and spelter (£25.15s.) per ton have not been varied since December, 1939.

In the open market in London tin and silver have been very firm. For silver the price has remained at 1s.11¹/₂d. (sterling) an ounce since August 25, 1941 and the price of tin, varying only by shillings has been approximately £stg.256 a ton during the same period. The course of tin and silver prices in London during the war period was as follows:-

MEAN OPEN MARKET PRICES FOR TIN AND SILVER - LONDON.

	<u>Aug.,</u> <u>1939.</u>	<u>Sept.,</u> <u>1940.</u>	<u>Jan.,</u> <u>1941.</u>	<u>July,</u> <u>1941.</u>	<u>Aug.,</u> <u>1941.</u>	<u>Sept.,</u> <u>1941.</u>
Tin (ton)	£229.19s.	£251.7s.	£256.16s.	£258.9s.	£257.3s.	£256.10s.
Silver (oz.)	17.72d.	23.44d.	23.27d.	23.40d.	23.46d.	23.50d.

PART II FINANCE AND TRADE.

BANK CLEARINGS. In recent months inter-bank clearings in Sydney have been maintained at a very high level; the index number for Sept. Qr., 1941 was 124 compared with 117 and 99 one and two years before. The greater part of the wartime increase is due to the expansion of war industries and the raising and spending of public funds on war activities. Higher prices, wages and incomes generally are also factors. A few forms of enterprise have been curtailed, and this represents a beginning of what ultimately is expected to be a large-scale diversion of resources from civilian to war production. As yet however, domestic trade is proceeding normally and commercial exchanges have, for the greater part, been well maintained.

The amount of clearings in the nine months ended September was 5.4 and 23.1 p.c. greater this year than in 1940 and 1939 respectively. Other comparisons are as follow:-

INTER-BANK CLEARINGS - SYDNEY.

	<u>Amount.</u> (a)	<u>Index Number.</u> (b)
	<u>September.</u>	<u>Sept. Qr.</u>
	£m.	1926-30 = 100.
1929	78.7	107
1938	77.6	99
1939	74.9	99
1940	84.5	117
1941	94.9	124
	<u>Jan.-Sept.</u>	
	£m.	
	779.9	
	692.1	
	676.5	
	791.1	
	833.0	

(a) Excluding Treasury Bill transactions. (b) The index is adjusted to eliminate effects of bank amalgamations and special Governmental transactions but not for changes in price levels.

REAL ESTATE. The real estate market is active, except in respect of large city properties, but the value of sales has not increased very much. In Sept. Qr. sales were greatest of any quarter of the war period but were below pre-war levels. Transactions in the second year of the war were 8.3 p.c. greater than in the year ended Sept., 1940 but were 10 p.c. below the value in the twelve monthly periods ended Sept., 1937 or 1938. Quarterly comparisons are:-

	<u>March Qr.</u>	<u>June Qr.</u>	<u>Sept. Qr.</u>	<u>Dec. Qr.</u>	<u>Year ended Sept.</u>
	Consideration of Sales - £ million.				
1938	8.95	9.66	10.23	8.58	35.98
1939	8.51	7.95	8.92	6.78	33.96
1940	6.87	7.76	8.62	7.79	30.03
1941	7.62	8.44	8.65	-	32.50

Mortgages increased (perhaps incidentally) in Sept., 1941 and exceeded the amount for any month since July, 1940 but in the nine months ended Sept., the total was 32.4 and 40 p.c. less this year than in 1939 and 1938, respectively. The reduced wartime volume of mortgage transactions probably reflects the control imposed under the National Security (Capital Issues) Regulations over mortgages exceeding £5,000 in amount.

REAL ESTATE TRANSACTIONS - NEW SOUTH WALES.

	<u>Month of September.</u>		<u>Nine Months ended September.</u>	
	<u>Sales.</u>	<u>Mortgages. /</u>	<u>Sales.</u>	<u>Mortgages. /</u>
	£000	£000	£000	£000
Aver. 1925-29 x	(4,619)	(4,042)	(41,571)	(36,378)
1938	3,079	2,085	28,840	19,919
1939	2,934	1,501	25,379	17,673
1940	3,149	1,240	23,261	12,994
1941	2,941	1,571	24,706	11,954

/ Includes normal renewal of mortgages in 1925-29. Renewals were rendered unnecessary in many cases by the Moratorium Act, 1930.

x Monthly and nine months averages.

/STOCK.....

PART II (Continued)

STOCK EXCHANGE. Prices of ordinary company shares on the Sydney Stock Exchange reached their highest level for almost four years in the middle of September. The market weakened subsequently and at the end of the month average share values were lower than at its commencement. Factors affecting investors were the course of the war in Russia, the Budget proposals, and later, the events leading to change of Government in this country. The reaction was marked but not drastic and after a few days the drift was arrested. In the early part of this month share prices were without much change but latterly the market has weakened somewhat.

For September, 1941 the index number of average value of ordinary company shares (175) was highest since February, 1940, equal to the average in 1939, and only 3.7 per cent. below the highest level of the war period (Jan., 1940).

From August to September index numbers showed gains of 6.9 points in retail, 5.3 points in manufacturing and 4.5 points in insurance company shares. Other comparisons are as follow:-

INDEX OF VALUE OF ORDINARY COMPANY SHARES - SYDNEY STOCK EXCHANGE.
Excluding Banks - Par Value = 100.

Average for Month	Shares in Companies Engaged in -					Total. (75 Com- panies)	54 Active Shares.
	Manufactur- ing and Dis- tributing.	Retail Trade.	Public Utili- ties.	Pastoral and Finance.	Insur- ance.		
March, 1937 (a)	214	204	182	169	281	190	200
January, 1940 (b)	229	174	152	132	270	182	195
June, 1940 (c)	187	138	129	110	233	151	160
September, 1940	207	158	154	116	235	162	176
July, 1941	219	165	135	124	249	168	183
August, "	222	170	137	127	249	170	186
September, 1941	228	177	142	128	253	175	191

(a) Highest point. (b) Highest and (c) Lowest point of war period.

INTEREST RATES - Mortgages. Rates of interest on private first mortgages have varied very little during the past twelve months, though there appears to be a slight tendency toward lower rates. Weighted averages of 5.5 p.c. for urban and 4.8 p.c. for rural mortgages were recorded in Sept. Qr. but in Sept. alone the average rates (5.4 and 4.7 p.c. respectively) were lowest of the war period.

<u>Private First</u> <u>Mortgages, N.S.W.</u>	<u>1938.</u> <u>Sept.</u> <u>Qr.</u>	<u>1939.</u> <u>Sept.</u> <u>Qr.</u>	<u>Dec.</u> <u>Qr.</u>	<u>1940</u> <u>Sept.</u> <u>Qr.</u>	<u>Dec.</u> <u>Qr.</u>	<u>1941.</u> <u>Mar.,</u> <u>Qr.</u>	<u>June</u> <u>Qr.</u>	<u>Sept.</u> <u>Qr.</u>
Weighted av. rate of interest, per cent. per annum.								
Rural Mortgages	5.0	5.2	5.5	5.0	5.0	5.0	4.9	4.8
Urban "	5.6	5.5	5.8	5.6	5.5	5.5	5.5	5.5

GOVERNMENT SECURITIES. A Commonwealth £100 million cash and conversion loan was launched on October 7, 1941 (see B.S.1941/10A p.3) More than half the amount required has been subscribed or converted already.

In recent weeks prices of Government securities on the Sydney Stock Exchange have fluctuated narrowly and interest yields continue to average little more than 3 p.c. per annum. Investors, expecting higher rates of taxation, show a preference for bonds issued with limitation of taxation at rates ruling in 1930; thus between part- and fully-taxed ~~on~~ bonds maturing in 5-10 years there is a difference in net redemption yield of almost one quarter p.c. The following statement supplies a comparison of bond interest yields during the past three years:-

/NET.....

PART II (Continued)

NET REDEMPTION YIELD ON AUSTRALIAN CONSOLIDATED LOANS.

Bonds Maturing in -	Sept., 1938.	Sept., 1939.	Sept., 1940.	July, 1941.	Aug., 1941.	Sept., 1941.
	Interest yield - £.s.d. per cent. per annum. [†]					
5-10 yrs. Fully Taxed. [∅]	-	-	3 3 2	3 1 8	3 3 11	3 3 10
Part " x	3 19 5	3 19 7	3 2 10	2 18 3	2 18 3	2 19 0
Over 10 yrs.						
Part Taxed x	3 17 2	4 0 10	3 4 5	3 2 9	3 3 2	3 3 1

[†] Weighted average calculated on earliest date of maturity.

[∅] Interest subject to full Commonwealth but to no State taxation.

x Interest subject only to Commonwealth taxation and only at 1930 rates of taxation.

/PART III.....

PART III. INDUSTRIES.

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.
(Includes both private and Government buildings).

Building in this Area has returned to a very high level. Housebuilding is a record and flat building is also considerable but building in the City of Sydney has diminished and erection of shops, hotels, theatres, etc. has been drastically curtailed. Many new factories and military buildings have been and are being erected.

In September, 1941 the value of buildings commenced in the Metropolitan Water Board Area was £1,255,000. This and the amount in Sept. Qr. (£3.85m.) were post-depression records for the month and period. The recent increase is based mainly on residential construction and appears more than incidental, but it cannot be foreseen whether this burst of activity will be sustained:-

	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sept.</u>	<u>Apr.-Sept.</u>
Value (£000) of Buildings Commenced - Water Board Area.							
1938	1057	1186	1005	1297	1341	972	6,858
1939	994	1220	1055	1012	1180	840	6,301
1940	1187	1309	917	1438	1052	1001	6,904
1941	838	975	1102	1453	1138	1255	6,761

The control of building has reinforced the tendency of the last few years to diminution in the volume of building in the City but in other parts of the Area the value in the year ended September, and particularly in the last few months has far surpassed that in corresponding periods of any post-depression year.

VALUE (£000) OF BUILDINGS COMMENCED - YEARS ENDED SEPTEMBER.

	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>1938</u>	<u>1939</u>	<u>1940</u>	<u>1941</u>
In City	1051	1962	2416	2,201	1,876	1,622	835
In Suburbs	6552	7101	7628	10,867	10,124	10,865	11,814
In M.W.B. Area	7603	9063	10,044	13,068	12,000	12,487	12,649

In September as in July and August, the value of houses commenced was a record. The expansion of housebuilding is the outstanding wartime development in the building industry. Flat construction also has been considerable but expenditure on other kinds of buildings (except factories) has decreased. The decrease in "business premises" over the last two years is due mainly to suppression of non-essential or deferrable building such as hotels, theatres, shops, etc. The following table illustrates these wartime trends:-

METROP. WATER BOARD AREA - QUARTERLY VALUE (£000) OF BUILDINGS COMMENCED.

Quarter -	<u>1938</u> <u>Sept.</u>	<u>1939</u> <u>Sept.</u>	<u>Dec.</u>	<u>1940</u> <u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>	<u>1941</u> <u>Mar.</u>	<u>June</u>	<u>Sept.</u>
Houses	1701	1667	1395	1453	1452	1789	1463	1510	1573	2136
Flats	627	578	296	502	634	625	580	707	781	664
Business Premises	1133	676	594	937	720	636	502	504	328	666

The value of buildings (by major classes) commenced in September and the nine months ended September of recent years is compared below. The characteristics noted above again appear clearly in this table. In respect of "miscellaneous" buildings it is to be remembered that defence buildings go to swell the total under this heading and account entirely for the wartime increase:-

/BUILDINGS.....

PART III (Continued.)

BUILDINGS COMMENCED - METROPOLITAN WATER BOARD AREA.

Includes new buildings, additions, etc., and most Government buildings.

	September		Nine months ended September					Movement-
	1940	1941	1937	1938	1939	1940	1941	Jan.-Sept. 1939 to '41.
	Value of buildings commenced - £ thousand.							Per cent.
Dwelling Houses	574	738	3030	4554	4572	4694	5219	+ 14.2
Flats	208	194	1427	2006	1559	1761	2152	+ 38.0
Business Premises ^Ø	109	144	2969	2862	2536	2293	1498	- 40.9
Miscellaneous*	110	179	620	497	710	1209	863	+ 21.5
	1001	1255	8046	9919	9377	9957	9732	+ 3.8

^Ø Shops, factories, offices, etc. * Churches, theatres, schools, hospitals, etc.

DWELLING HOUSES. Individual dwelling houses (not flats) commenced in this Area in September were greater in number (797) than in any other month of the past twelve years. The number has increased in each of the last six months and in September quarter was nearly 13 p.c. greater in 1941 than in 1940. By months the number of houses commenced in this Area were as follow:-

	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sept.	Nine Months.
1938	479	471	677	532	668	657	700	777	643	5,604
1939	582	657	620	428	674	683	652	765	617	5,678
1940	600	615	525	569	583	568	743	629	664	5,496
1941	497	507	583	533	605	613	719	784	797	5,638

The recent increase occurred in the face of deterrents such as the higher cost of building, the uncertain future, and less ease in borrowing for other than war purposes. Activities through building societies are much reduced in volume compared with before the war. On the other hand property investments have attraction as affording security of capital, and enlarged wage-earnings have increased the number of persons so circumstanced as to contemplate house-purchasing.

House-building is usually at a seasonal peak in Sept. Qr. Although the increase during 1941 has been very marked it cannot be assumed that house-building will remain on a higher level than in other recent years.

INDIVIDUAL HOUSES COMMENCED - METROPOLITAN WATER BOARD AREA.

	September	March Qr.	June Qr.	Sept. Qr.	Dec. Qr.	Year ended Sept.
Number of dwelling houses (not flats) commenced.						
1935	364	941	912	1125	1065	3,726
1936	595	1273	1251	1668	1195	5,257
1937	596	1152	1212	1618	1592	5,177
1938	643	1627	1857	2120	1853	7,196
1939	617	1859	1785	2034	1663	7,531
1940	664	1740	1720	2036	1665	7,159
1941	797	1587	1751	2300	-	7,303

MOTOR VEHICLES. New motor vehicles registered in September, 1941 averaged only 68 per week, compared with 615 and 396 a week in Sept., 1937 and 1939, respectively. Besides occasioning this drastic decrease, war conditions have caused the ratio of cars, etc. to lorries and vans to change from two or more to one to one or less to two. Particulars are as follow:-

/AVERAGE.....

PART III. (Continued.)

AVERAGE NUMBER OF NEW MOTOR VEHICLES REGISTERED PER WEEK, N.S.W.Ø

	Cars, Cabs and Omnibuses.						Lorries and Vans.					
	Apr.	May	June	July	Aug.	Sept.	Apr.	May	June	July	Aug.	Sept.
1937	452	523	497	451	414	415	162	187	218	202	210	200
1938	478	487	383	357	340	368	182	207	155	156	147	181
1939	393	417	376	305	322	270	130	151	141	133	146	126
1940	243	176	115	63	88	118	114	103	70	60	53	63
1941	121	89	40	20	21	29	47	46	40	42	45	39

Ø Exclusive of trailers and of vehicles in defence forces.

Because of the small petrol ration for private motoring very many car registrations are not being renewed. At 30th September, 1941 there were on the register 25,493 fewer cars and 2,727 fewer lorries and vans than before the war (at 31st Aug., 1939). The decrease in total registrations was 3,008 in September and 16,782 in May-Sept., 1941 compared with 31,447 over the entire period of the war.

NUMBER OF REGISTERED MOTOR VEHICLES IN NEW SOUTH WALES.Ø

		1933	1939	1940	1941.			
		July	Aug.	Sept.	March	July	Aug.	Sept.
Cars	000	148.2	216.6	204.8	206.9	197.5	193.8	191.1
Lorries & Vans	000	48.2	77.5	74.7	75.7	75.1	74.9	74.9
All Vehicles	000	216.5	329.2	312.1	315.9	305.0	300.7	297.7

Ø Exclusive of vehicles in defence services; including cycles and trailers.

The number of motor vehicles fitted with producer gas units is increasing but still represents less than two per cent. of the cars and lorries and vans on the roads. The development of other substitute fuels including shale oil and power alcohol is proceeding; State and Federal Governments are conferring regarding sites to erect the distilleries to extract alcohol from wheat (see B.S. 1941/8A, p. 8).

RAILWAYS. The very marked increase in the number of persons using the railways may be attributed to the record level of employment and travelling by military, etc. personnel. In July-Aug., 1941 the number of passengers carried (34.33 million) was 16.2 p.c. greater than in the corresponding months of 1939 before the war began. Additional trains are being run to cope with the heavier traffic. A year ago the railways were heavily employed overtaking the traffic the movement of which had been held up by the coal stoppage, so that goods ton mileage this year was not as great as in 1940.

The excess of revenue over working expenses in July-Aug., 1941 (£1,279,000) was not as great as in Jan.-July, 1940, partly on this account. Other factors were payments of payroll tax, higher wages and prices of materials. The results, however, was better than for the first two months of any other recent financial year. Comparative particulars are:-

NEW SOUTH WALES GOVERNMENT RAILWAYS.

	Month of August			July and August.		
	Passenger Journeys.	Goods Ton Mileage.	Working SurplusØ	Passenger Journeys.	Goods Ton Mileage.	Working Surplus Ø
	mill.	mill.	£000	mill.	mill.	£000
1937	16.0	143.6	495.9	31.1	290.0	935.2
1938	15.8	152.2	392.2	31.4	314.3	764.7
1939	14.3	156.6	502.4	29.5	303.3	872.4
1940	14.9	230.8	824.6	30.5	469.1	1632.4
1941	17.6	177.8	656.3	34.3	363.2	1279.1

Ø Excess of earnings over working expenses exclusive of interest, etc. charges amounting in 1940-41 to £6,618,000.